

Message Text

LIMITED OFFICIAL USE

PAGE 01 CAIRO 10602 301621Z

43

ACTION NEA-10

INFO OCT-01 ISO-00 IO-10 SAM-01 EB-07 COME-00 AGR-05 OMB-01

INT-05 FEAE-00 CIAE-00 DODE-00 PM-03 H-01 INR-07 L-02

NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15

USIA-06 /084 W

----- 017498

R 301520Z DEC 74

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 1089

LIMITED OFFICIAL USE CAIRO 10602

EO 11652 NA

TAGS: EGEN EFIN PINT EG

SUBJECT: PEOPLE'S ASSEMBLY DEBATES 1975 BUDGET

REF: CAIRO 10033

1. PEOPLE'S ASSEMBLY OPENED DEBATE DEC 28 ON DRAFT 1975 BUDGET, AND ITS INCLUDED INTERIM PLAN, AMID DEFINITE SIGNS THAT SOME MODIFICATION MAY BE REQUIRED BEFORE GOE WILL BE ABLE TO SECURE PASSAGE. WHILE INDIVIDUAL MEMBERS DISAGREE AMONG THEMSELVES ON VARIOUS ASPECTS, THERE APPEARS TO BE GENERAL CONCENSUS THAT PRESENT VERSION IS UNSATISFACTORY.

2. CHAIRMAN OF ASSEMBLY COMMITTEE APPOINTED TO STUDY BUDGET IS QUOTED IN PRESS AS SAYING THAT ENTIRE PROJECT SHOULD BE REDONE. CHANGES IN ANY ONE PART WILL REQUIRE CHANGES IN OTHERS, BUT WE DOUBT THAT COMPLETE REVISION WILL BE UNDERTAKEN. ON BASIS OF PRESS REPORTS AND CONVERSATIONS, FOCUS OF DISSATISFACTION APPEARS TO FALL ON RELATIVE LACK OF ATTENTION PAID TO AGRICULTURE, HEALTH AND EDUCATION, AND PRIVATE SECTOR, ALL TO BENEFIT OF PUBLIC INDUSTRIAL SECTOR. ANOTHER MAJOR COMPLAINT, RELATED TO LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CAIRO 10602 301621Z

FORMER, IS HUGE (OVER L.E. 1 BILLION) TRADE DEFICIT FORECAST

FOR 1975.

3. GOE HAS SENT MINISTERS OF PLANNING AND FINANCE TO ASSEMBLY TO ANSWER QUESTIONS, AND IS PREPARING OTHER ACTIONS AS WELL. MINISTRY OF TRADE, FOR EXAMPLE, IS REVISING IMPORTS DOWNWARD AND RAISING ESTIMATES OF EXPORTS IN EFFORT TO REDUCE TRADE GAP. OFFICIALS EXPECT THAT THIS ACTION, COUPLES WITH EXPLANATION THAT SHORTFALL WILL BE COVERED BY ASSISTANCE FROM ABROAD AND INCREASED REMITTANCES FROM OVERSEAS EGYPTIANS, AS WELL AS FACT THAT PAYMENTS FOR MUCH OF THE IMPORT TOTAL WILL BE SPREAD OVER MORE THAN ONE YEAR, WILL SUFFICE TO OVERCOME ASSEMBLY'S OBJECTIONS ON THIS POINT.

4. COMMENT: EMBASSY IS NOT SO SURE THAT ASSEMBLY WILL EASILY CONCEDE. THERE IS NO EVIDENT INTENTION TO BLOCK PASSAGE OF BUDGET, AND GOE WILL MOST LIKELY NOT FORCE ISSUE. RESULT IS THEREFORE MOST LIKELY TO BE A SERIES OF MODIFICATIONS, MADE RATHER RELUCTANTLY BY THE GOE IN RESPONSE TO ASSEMBLY PRESSURE. IN ADDITION TO SLIGHTLY TARNISHING BUDGET'S IMAGE OF UNIVERSAL ACCEPTANCE, THIS WILL SERVE TO REINFORCE ROLE OF ASSEMBLY UNDER SADAT'S POLICY OF LIBERALIZATION.

5. WITH REGARD TO BUDGET ITSELF, OBSERVERS GENERALLY AGREE THAT IT WAS HASTILY PREPARED AND REPRESENTS, IN CASE OF IMPORTS AT LEAST, LITTLE MORE THAN RAW REQUESTS OF INDIVIDUAL SECTORS, WITH ALMOST NO EFFORT TO ASSESS PRIORITIES OR NEEDS. NEVERTHELESS, GOE WAS QUITE PROUD OF EFFORT IT REPRESENTED, FACT THAT IT WAS PRESENTED TO ASSEMBLY ON TIME (AN EGYPTIAN FIRST) AND WAS ANXIOUS TO GET ON WITH OBJECTIVES IT LAID OUT. REGARDLESS OF FLAWS, BUDGET AND PLAN PROVIDED SOME INDICATION AND GUIDANCE ON EGYPT'S DEVELOPMENT. DELAYS IN IMPLEMENTATION ARE UNFORTUNATE, BUT PROBABLY NOT SERIOUS.
EILTS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, GOVERNMENT BUDGET, CENTRAL LEGISLATURE
Control Number: n/a
Copy: SINGLE
Draft Date: 30 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974CAIRO10602
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740377-0403
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974125/aaaaadzi.tel
Line Count: 97
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 74 CAIRO 10033
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 14 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14-Aug-2002 by martinml>; APPROVED <30 DEC 2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PEOPLE'S ASSEMBLY DEBATES 1975 BUDGET
TAGS: EGEN, EFIN, PINT, EG
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005